

Palladium-IBM Cognos Integrated Brand Management Performance Blueprint



Introduction

The pharmaceutical industry faces numerous challenges, including patent expiration, generic competition, declining revenues, and—despite a considerable increase in research and development investment—a lack of new therapies.

With the average cost of bringing a new product to market exceeding \$1 billion, pharmaceutical organizations are striving to achieve commercialization excellence by driving successful product launches and enhancing go-to-market productivity, all in the pursuit of maximizing brand value.

How effective is your brand management process? The answer to this question can have a significant bottom-line impact. Just a one-day improvement in the process of bringing a new product to market can net an additional \$1.1 million in daily prescription revenue for an average-performing drug¹.

The challenge is not limited to internal efficiencies alone. Working with external constituencies, including regulatory agencies and key opinion leaders (KOLs), is a critical success factor as well. To drive effective brand launches and ensure market acceptance, it is particularly important to communicate with KOLs in the medical community, both prior to and during a new product launch. Equally important are the processes for managing existing products on the market. Success depends on tapping a broad set of competencies, ranging from conducting late-stage trials to managing regulatory hurdles to informing the medical community about disease states.

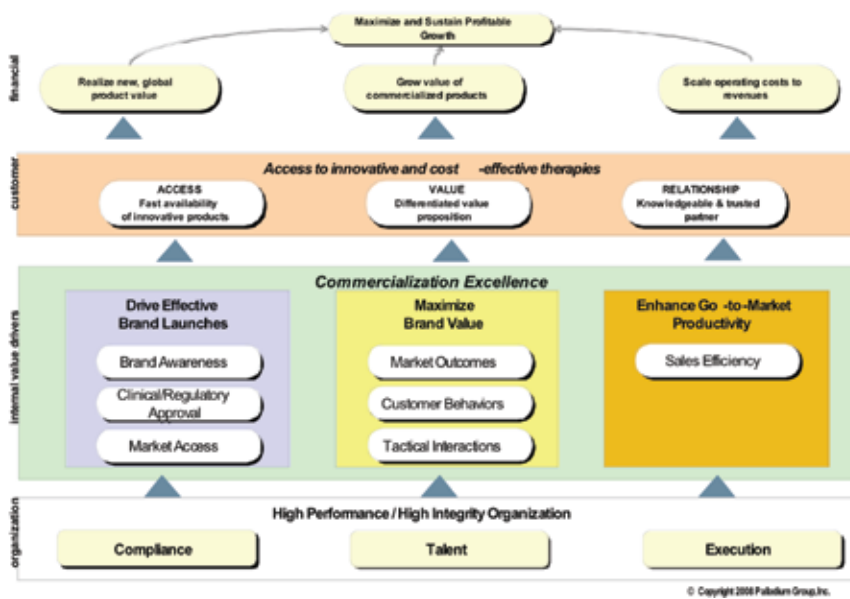
This brings us to the critical role of the brand manager, as well as the therapeutic area manager. To make informed decisions, both must have a keen understanding of strategic objectives and be able to translate them into operational plans. With the right decision-making tools and capabilities, the brand and therapeutic manager can view the status of action plans, have real-time access to key performance indicators, and drill down into the operational details, by therapeutic area or geography, to isolate bottlenecks and take corrective action through flexible resource re-allocation.

The Palladium-IBM Cognos Integrated Brand Management Blueprint

Palladium, experts in performance management, has partnered with IBM to develop the *Palladium-IBM Cognos Integrated Brand ManagementSM Performance Blueprint* to address the complexity of managing a global pharmaceutical brand from strategic, operational, and financial perspectives.

This offering combines industry-tested performance management frameworks with proven enterprise performance management and planning tools. Delivered as a web-based solution, the *Blueprint* takes advantage of the powerful features of IBM Cognos[®] 8 Business Intelligence (BI) and the flexibility of IBM Cognos Enterprise Planning to provide access to meaningful information through strategy maps, corporate and divisional scorecards, and operational dashboards.

The Strategy Map framework defines strategic priorities

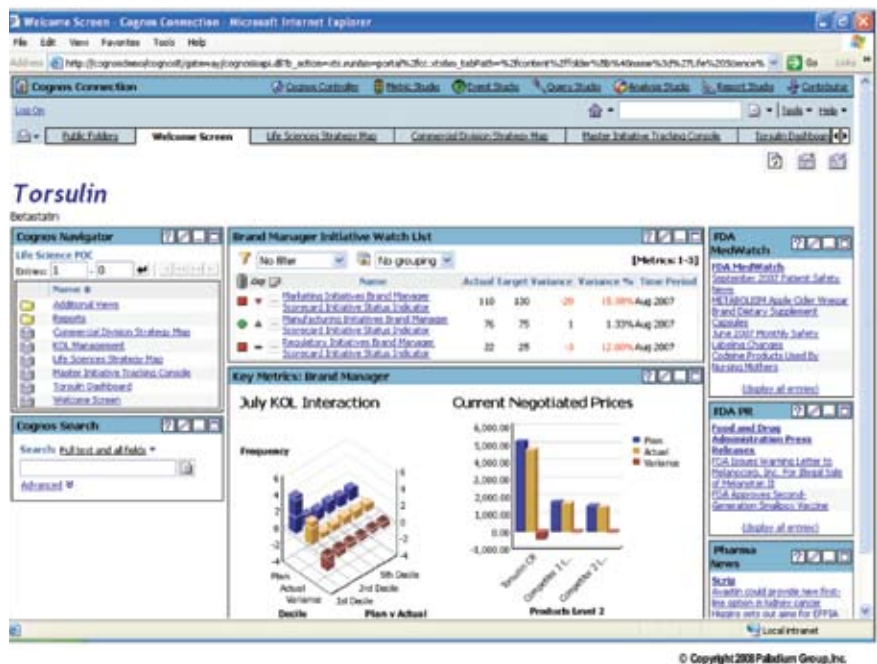


With real-time access to a brand's key performance indicators, a brand manager or therapeutic area manager can more effectively manage action plans and budgets, monitor cross-divisional processes, and ensure alignment with strategic objectives. The brand manager can take action by modifying and re-prioritizing the numerous project initiatives that impact a brand's performance in the market and reflect

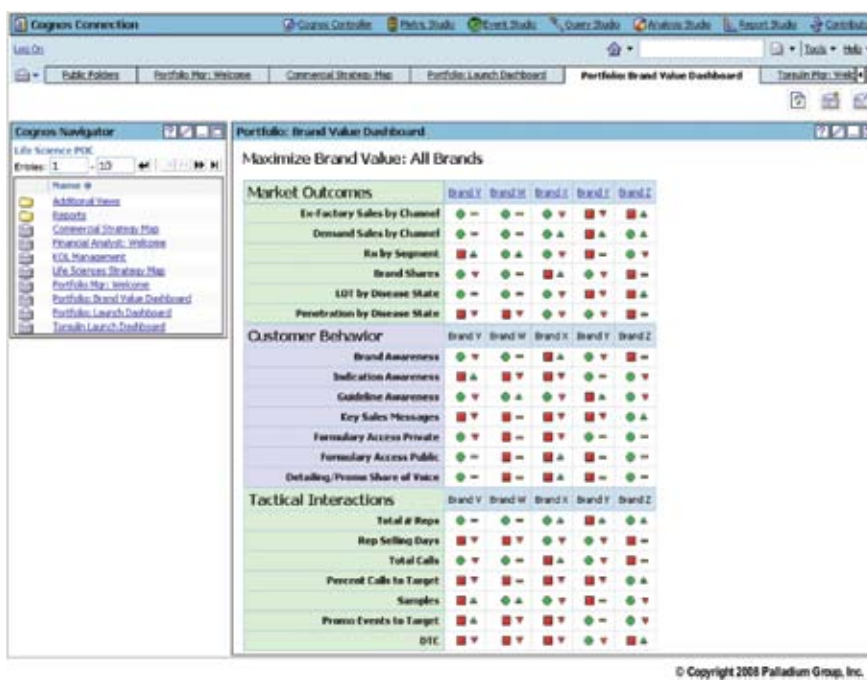
them in the financial drivers of related budgets and plans. This, in turn, allows a pharmaceutical organization to create and refine a repeatable brand management process based on a single version of the truth—ensuring that decisions are made with the right information.

The following screen, a dashboard for a hypothetical therapy called Torsulin, allows a brand manager to view key metrics and initiatives at a glance, or drill down for more detail.

Welcome screen for Torsulin Brand Manager



A simple click provides the brand manager with a comprehensive view of the key performance indicators (KPIs) necessary to ensure that both strategic and operational objectives are met. Furthermore, since stakeholders from different business areas must all contribute to the brand's success, the *Blueprint* also enables Medical Affairs, Marketing, and other critical functions and departments to collaborate using the tools and knowledge needed to successfully shape the market throughout the product life-cycle. This allows management to move from trial and error to a predictable process that links strategic priorities, investments, and business outcomes.



The Brand Management Dashboard provides a link between strategic priorities and operational KPIs

Finally, this *Blueprint* provides access to detailed planning and budgeting models, supported by automatic change notification, to enable faster and more effective resource allocation in areas such as KOL interactions and disease state awareness campaigns.

	Jun 07	Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Total 2007
PROJECT EXPENSES								
Permanent	70,000	70,000	70,000	80,000			84,000	809.6
Office	6,700	6,800	6,800	7,000			7,300	81.0
Consultant	10,000	10,000	10,000	10,000			10,000	120.0
Contract	30,200	30,800	31,400	32,000			33,000	368.0
Travel	5,000	5,000	5,000	5,000			5,000	60.0
Total Labor Costs	121,900	122,600	123,300	134,000			140,300	1,516.6
Venue	25,000	40,000	50,000	50,000			50,000	460.0
Fixed Materials	5,000	5,000	5,000	5,000			5,000	60.0
Gifts	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96.0
Special Expenses	40,000	40,000	40,000	40,000	40,000	40,000	40,000	720.0
Positional Items	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42.0
Equipment Rental	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24.0
Total Roadshow Expenses	80,500	118,500	148,500	148,500	148,500	148,500	148,500	1,402.0
Travel & Entertainment	31,233	31,233	40,000	40,000	40,000	40,000	40,000	430.6
Professional Fees	15,500	15,500	15,500	15,500	15,500	15,500	15,500	186.0
Legal	21,504	22,221	22,938	23,655	24,372	25,089	25,806	378.4
Other	4,500	4,780	4,491	4,341	3,925	3,742	3,493	48.6
Total Other Project Expenses	73,227	73,634	82,928	109,741	111,992	114,242	116,493	1,832.7
TOTAL PROJECT EXPENSES	278,627	314,734	354,728	392,241	396,792	401,342	405,893	3,951.3
Headcount	18	18	18	18	18	18	18	2
Speaking Engagements	2	3	4	4	4	4	4	4

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Resource allocation/re-allocation can be modeled, tracked, and consolidated based on real-time events instead of an annual planning process

Benefits and capabilities

The Blueprint allows users to understand how they are performing, drill-down into activity detail, identify problems, and take necessary financial and operational action. Key benefits include the ability to:

- Analyze and understand key drivers and metrics for a successful brand
- Identify process bottlenecks and bring a product to market as quickly as possible
- Enable top-down and bottom-up planning and management activities
- Understand the true impact of management decisions and investments.

IBM Cognos 8 BI software provides:

- Advanced scorecards and dashboards that are linked to strategic objectives
- A customized web-based portal for all brand management and therapeutic area management activities Role-based reports for individuals throughout the chain of command
- Integration with enterprise project management tools to allow for effective initiative management from a centralized console
- Detailed planning models to manage marketing initiatives, regulatory activities, and interactions with the medical community
- Structured event notification and status monitoring to ensure appropriate actions are taken when a decision is made.

The Palladium-IBM partnership brings together the consulting services, software, and support necessary to help pharmaceutical organizations attain significant competitive advantage. The *Blueprint* is the result of extensive collaboration and external validation, and the integration of applied domain expertise with a best-in-class technology platform.

The *Palladium-IBM Cognos Integrated Brand Management Performance Blueprint* is offered by the IBM Cognos Innovation Center for Performance Management. Performance Blueprints are pre-defined data, process, and policy models that help organizations speed their software deployments and drive faster return on investment. For more information on IBM Cognos solutions for pharmaceutical and life sciences companies, please visit www.cognos.com/lifesciences or email pharma@.com.

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About the IBM Cognos Innovation Center For Performance Management

The IBM Cognos Innovation Center for Performance Management was established in North America and Europe to advance the understanding of proven planning and performance management techniques, technologies, and practices. The Innovation Center is dedicated to transforming routine performance management practices into "next practices" that help cut costs, streamline processes, boost productivity, enable rapid response to opportunity, and increase management visibility. Staffed globally by experts in planning, technology, and performance and strategy management, the Innovation Center partners with more than 600 IBM Cognos customers, academics, industry leaders, and others seeking to accelerate adoption, reduce risk, and maximize the impact of technology-enabled performance management practices. To join, visit www.cognos.com/innovationcenter.

About IBM Cognos BI and Performance Management

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Endnotes

- 1 Statistics from the Tufts Center for the Study of Drug Development, September/October 2007 *Tufts CSDD Impact Report*.

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